



U.S. Department of Justice

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NEWS SUMMARY:

August 8, 2007

United States Attorney Steven M. Biskupic announced that guilty pleas have been entered by all defendants on a wide-reaching scheme to file false income tax refund claims.

On April 17, 2007, a 12-count federal indictment was returned against Milwaukee-area residents Rodney Smith, Billy Cannon, DeCorlis Griffith and Sarita Mull, charging them with Conspiracy to Defraud the United States, and Filing False Claims for Income Tax Refunds in violation of Title 18, United States Code, Sections 286, 287 and 2.

According to the indictment, the defendants caused approximately 63 false federal income tax returns to be filed with the Internal Revenue Service, falsely claiming federal income tax refunds of more than \$260,000. According to the indictment, all of the fraudulent federal income tax returns were filed during a three month period between February and April 2004, and all were for the 2003 tax year. According to the indictment, the defendants worked together to defraud the United States by recruiting others to file fraudulent federal income tax returns using fake W-2 Forms under their own names and social security numbers. The recruited individuals typically had not been employed at all during the year in question, and, if they had worked at all, they had not earned the wage amounts set forth on the fraudulent W-2, nor did they work for the employer listed on the fraudulent W-2 Form. Fraudulent wages reported on the W-2 Forms in this case ranged from \$8,150 to as much as \$60,000. According to the indictment, defendants instructed these individuals to file their tax returns electronically and to apply for a Refund Anticipation Loan (RAL). The RAL allowed the individuals to receive a cash advance on their false tax refunds from financial institutions within three to five days after the returns were filed. After receiving the RAL, the individuals, as previously agreed, paid defendants approximately one-half of the amount of the fraudulently obtained income tax refund.

On August 2, 2007, defendants Rodney Smith, Sarita Mull, and Decorlis Griffith entered guilty pleas to the charge of Conspiracy to Defraud the United States, and on August 7, 2007, defendant Billy Cannon also entered a guilty plea to the same charge. The defendants face a maximum of 10 years imprisonment and a \$250,000 fine. Sentencings are set for early November 2007.

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For Additional Information Contact:

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